




3 1761 11224506 3



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto



<https://archive.org/details/31761112245063>

CAI
XC 14
-R 11

Government
Publications

Government
Publications

HOUSE OF COMMONS
First Session—Twenty-fourth Parliament
1958

STANDING COMMITTEE
ON
RAILWAYS, CANALS AND
TELEGRAPH LINES

Chairman: GORDON K. FRASER, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 2

DEPARTMENT OF TRANSPORT ESTIMATES

THURSDAY, JUNE 26, 1958

WITNESSES:

The Honourable George Hees, Minister of Transport; and Messrs.
J. R. Baldwin, Deputy Minister; R. J. Burnside, Director, Canal
Services; A. Watson, Associate Director, Marine Services.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE
ON
RAILWAYS, CANALS AND TELEGRAPH LINES

Chairman: Gordon K. Fraser, Esq.,

and Messrs.

Allmark,	Garland,	McPhillips,
Asselin,	Grills,	Michaud,
Badanai,	Gundlock,	Monteith (<i>Verdun</i>),
Baldwin,	Hales,	Nielsen,
Baskin,	Hardie,	Nixon,
Batten,	Horner (<i>Acadia</i>),	Pascoe,
Bigg,	Horner (<i>Jasper-Edson</i>),	Payne,
Bourbonnais,	Howard,	Phillips,
Brassard (<i>Chicoutimi</i>),	Howe,	Racine,
Brassard (<i>Lapointe</i>),	Johnson,	Rouleau,
Bruchési,	Keays,	Rynard,
Campbell (<i>Stormont</i>),	Kennedy,	Smallwood,
Chevrier,	LaRue,	Smith (<i>Calgary South</i>),
Chown,	MacEwan,	Smith (<i>Simcoe North</i>),
Creaghan,	MacInnis,	Tassé,
Crouse,	Martini,	Taylor,
Drysdale,	McBain,	Thompson,
Dupuis,	McDonald (<i>Hamilton</i>	Tucker,
English,	<i>South</i>),	Webster,
Fisher,	McMillan,	Wratten—60.

J. E. O'Connor,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, June 26, 1958

The Standing Committee on Railways, Canals and Telegraph Lines met at 10.05 a.m. this day. The Chairman, Mr. G. K. Fraser, presided.

Members present: Messrs. Asselin, Baldwin, Baskin, Bigg, Bourbonnais, Brassard (*Chicoutimi*), Campbell (*Stormont*), Chown, Creaghan, Drysdale, English, Fisher, Fraser, Horner (*Jasper-Edson*), Howard, Howe, Martini, McBain, McDonald (*Hamilton South*), Monteith (*Verdun*), Nielsen, Pascoe, Rynard, Smith (*Simcoe North*), Tassé, Tucker and Wratten.—27.

In attendance: The Honourable George Hees, Minister of Transport; Messrs. J. R. Baldwin, Deputy Minister; J. E. Devine, Executive Assistant to the Deputy Minister; R. J. Burnside, Director, Canal Services; G. L. Matthews, Administrative Officer, Canal Services; A. R. Whittier, Assistant Director, Canal Services (Administration); J. N. Betournay, Assistant Director, Canal Services (Engineering); W. A. Cook, Budget Supervisor; A. Watson, Associate Director, Marine Services.

The Chairman observed the presence of quorum.

On the motion of Mr. Pascoe, seconded by Mr. Wratten,

Resolved,—That the Committee print 750 copies in English and 250 copies in French of its minutes of proceedings and evidence relating to the Estimates of the Department of Transport.

The Chairman called upon Mr. Baldwin to answer questions asked at a previous meeting of the Committee.

Item 414—Departmental Administration—was called.

Mr. Hees and Mr. Baldwin answered questions relating to the operations of the Department.

Item 414—Departmental Administration—was adopted.

Item 628—(Supplementary) Departmental Administration—was called and adopted.

Item 415—St. Lawrence River Joint Board of Engineers—Canadian Section—was called and adopted.

Item 512—(Supplementary) Loans to the St. Lawrence Seaway Authority—was called and adopted.

Item 416—Canal Services—Administration—was called and Mr. Burnside having been introduced to the members of the Committee was questioned.

Item 416—Canal Services—Administration—was adopted.

Item 417—Canal Services—Operation and Maintenance—was called and adopted.

Item 418—Canal Services—Construction or Acquisition of Buildings, Works, Land and Equipment—was called and adopted.

Item 629—(Supplementary) Canal Services—Construction or Acquisition of Buildings, Works, Land and Equipment—was called and adopted.

Item 513—Canal Services—Acquisition of Land—Cornwall Navigation System—was called and adopted.

Item 661—(Supplementary) Canal Services—Acquisition of Land—Cornwall Navigation System—was called and adopted.

Item 419—Marine Services—Administration—was called and Mr. A. Watson having been introduced to members of the Committee was questioned.

Item 419—Marine Services—Administration—was adopted.

Item 420—Marine Service Steamers—Administration, Operation and Maintenance—was called and adopted.

Item 421—Marine Services—Construction or Acquisition of Vessels and Equipment—was called and adopted.

Item 634—(Supplementary) Construction or Acquisition of Auto-Ferry Vessels and Equipment—was called and adopted.

Item 422—Aids to Navigation—Administration, Operation and Maintenance—was called and adopted.

Item 630—(Supplementary) Aids to Navigation—Administration, Operation and Maintenance—was called and adopted.

Item 423—Aids to Navigation—Construction or Acquisition of Buildings, Works, Land and Equipment—was called and adopted.

Item 631—(Supplementary) Aids to Navigation—Construction or Acquisition of Buildings, Works, Land and Equipment—was called and adopted.

At 12.30 p.m. the Committee adjourned to meet again at 10.00 a.m. Tuesday, July 1, 1958.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

THURSDAY, June 26, 1958.
10:00 a.m.

The CHAIRMAN: Gentlemen, I see a quorum.

We will be dealing the estimates of the Department of Transport this morning. Could we have a motion regarding printing?

Mr. PASCOE: Mr. Chairman may I make the following motion: that the committee print 750 copies in English and 250 copies in French of its minutes of proceedings and evidence relating to the estimates of the Department of Transport.

The CHAIRMAN: Who is the seconder of that motion?

Mr. PASCOE: The motion is seconded by Mr. Wratten.

The CHAIRMAN: You have heard the motion that we print 750 copies in English and 250 copies in French of our minutes and evidence. Are you agreeable gentlemen?

Motion agreed to.

The CHAIRMAN: Mr. Nielsen, would you like to come up so that you will be a little closer? You and Mr. Asselin could come over to this table so we could see you.

Gentlemen, at the last meeting there were a few questions asked, and the deputy minister said he would secure the answers to those questions for you. I am going to ask Mr. Baldwin if he will now give those answers.

Mr. J. R. BALDWIN (*Deputy Minister of the Department of Transport*): Yes, sir.

The first question that was left outstanding, Mr. Chairman, was a question in relation to the breakdown between classified and casual employees in the Department of Transport, and the number employed in certain associated agencies.

For the purposes of the Department of Transport, I am going to give the figures roughly, in round numbers. As you will appreciate, the prevailing rates class of employees fluctuates almost from day to day.

The Department of Transport employs the services of roughly 10,600 classified employees and roughly 3,100 casual employees who are not classified civil servants.

In respect to the number of personnel employed by associated agencies, the Air Transport Board employs 59 classified, no casuals; the Board of Transport Commissioners employs 164 classified and no casuals; the Canadian Maritime Commission employs 25 classified, no casuals. The Canadian Overseas Telecommunication Corporation employs 175 regular employees and 189 who are not classified as regular. You cannot use the division of classified versus casual there because they are not under the Civil Service Commission.

The St. Lawrence Seaway Authority employs 396 regular employees and 44 casuals; the National Harbours Board unfortunately has not been able to collect its final data because they had to wire their reports, and the chairman has informed us this morning that we have not that information available yet. It will be available later.

That completes the answer to the first question relating to the number of personnel.

The second question that was outstanding related to the existing trans-border air routes between Canada and the United States, sir.

If it is satisfactory from your point of view and the point of view of the committee, rather than read this lengthy statement it might be your wish to have this added to the record of this committee. It is in fact the annex to the existing agreement listing all such routes.

The CHAIRMAN: Is it agreed that this be added to the record of the minutes?

Mr. FISHER: That statement relates to what exists now rather than future objectives?

Mr. BALDWIN: This relates to what exists now.

The CHAIRMAN: Is that suggestion agreeable?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Would you like that added as an appendix, or printed at this point?

Mr. FISHER: I think the statement should be printed right in the minutes.

The CHAIRMAN: Thank you.

1. The air agreement between the U.S.A. and Canada, signed at Ottawa, June 4, 1949, provides in the annex thereof:

"Schedule 1

An airline or airlines designated by the government of the United States shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make landings in Canada at the points specified in this paragraph:

Seattle	— Whitehorse
Seattle	— Vancouver
Fairbanks	— Whitehorse
Great Falls	— Lethbridge
Great Falls	— Edmonton
Fargo	— Winnipeg
Washington	— Montreal
Washington	— Ottawa
New York	— Toronto
New York	— Montreal
New York	— Ottawa
Either New York or Boston	— Quebec
Boston	— Montreal
Boston	— Moncton
United States	— Edmonton-Alaska and beyond
United States	— Gander-Europe (including Azores) and beyond

In addition to the points enumerated above, an airline or airlines of the United States will be authorized to stop in Windsor on any domestic service for which they are now or in the future may be authorized by the United States government to serve Detroit.

In consideration of the special circumstances existing on the routes from New York and Washington to Montreal and Ottawa the government of Canada agrees that the designated airline or airlines of the United States may serve both Canadian points on the same flights, provided that the carrier or carriers shall exercise no cabotage rights in Canada. Similarly in consideration of the special circumstances existing on the routes from Great Falls to Lethbridge and Edmonton the government of Canada agrees that the designated airline or airlines of the United States may serve both Canadian points on the same

flights, provided that the carrier or carriers shall exercise no cabotage rights in Canada."

"Schedule 2

An airline or airlines designated by the government of Canada shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make landings in the United States at the points specified in this paragraph:

Victoria	— Seattle
Whitehorse	— Fairbanks
Winnipeg	— Sault Ste. Marie, Michigan-Toronto
Toronto	— Chicago
Toronto	— Cleveland
Toronto	— New York
Montreal	— New York
Halifax	— Boston
Canada	— Honolulu-Australasia and beyond
Canada	— Tampa/St. Petersburg-Bahamas and/or points in the Caribbean and beyond

In addition to the points enumerated above, an airline or airlines of Canada will be authorized to stop in Detroit on any domestic service for which they are now or in the future may be authorized by the Canadian government to serve Windsor."

2. By and Exchange of Notes, dated November 22 and December 20, 1955, the following amendment was made:

Route "Winnipeg-Sault Ste. Marie, Michigan-Toronto" was deleted and the following route was inserted:

"Eastern Canada-Sault Ste. Marie, Michigan-western Canada".

(This was the result of an agreement that, pending construction of an airport at Sault Ste. Marie, Ont., Canadian airlines should be permitted to use Kinross field at Sault Ste. Marie, Mich., on any domestic service for which they were authorized by the government to serve Sault Ste. Marie, Ont. Canadian authorities agreed the services of Canadian airlines using Kinross would be available to U.S. traffic destined for or coming from Canadian points).

The CHAIRMAN: Gentlemen, we are now dealing with estimates.

Item 414—Departmental Administration.

Are there any further questions in relation to item No. 414, administration?

Mr. WRATTEN: Mr. Chairman, last Tuesday we were asking questions about the 600 extra employees. I wonder if the minister or deputy minister could tell us if the reason for that additional number is because the Department of Transport has taken over some obligations of other departments, or is it a direct increase of 600 employees? I know they have taken over the responsibilities of looking after certain airports, and so on, is that not right?

Hon. GEORGE HEES: (*Minister of the Department of Transport*): that is right.

Mr. WRATTEN: Is this increase of 600 employees a result of taking over the responsibilities of other departments, or is it strictly an increase of new employees?

Mr. HEES: It is partly the result of one and partly the result of the other. This is a result I think of perhaps both suggestions. The responsibilities

of the Department of Transport have increased considerably. We have also taken over some of the work of the Department of National Defence in regard to airports.

Mr. BALDWIN: This is a rough estimate, Mr. Wratten, because I am speaking on a memory basis, but probably close to half of that increase represents the result of facilities that we have taken over which we will be operating ourselves. Probably three-quarters of that increase, or slightly over three-quarters, represents the result of taking over new facilities including those taken over which we now have to operate such as the Labrador, and things of this sort, with the balance of slightly less than one-quarter being accounted for by what you might call the normal growth of supporting organizations.

Mr. FISHER: At our last meeting, Mr. Baldwin, you gave a sort of a run down as to where these places were. For example, you mentioned the taking over of the Labrador. Would that have had an affect on this increase?

Mr. BALDWIN: That would account for roughly 100 of the 600 increase.

The CHAIRMAN: Are there any other questions on the administration item?

Mr. FISHER: In connection with the statements relating to the Labrador being taken over by the Department of Transport, and that the government was very anxious that this transfer of the Labrador take place, what is the Department of Transport's feeling in respect of the matter?

Mr. HEES: We were very, very happy to get this excellent ship because it makes a very good ice-breaker for use in the winter time. It will also be doing exactly the same kind of summer work up in the Arctic as before. We feel that we will be getting more use out of the Labrador because it will be used as an ice-breaker in the winter time and used in the same way as the navy used it in the summer, for northern patrol and experimental work and so on.

Mr. FISHER: I suppose there will be a loss in that the naval people will no longer have northern training, or is there some arrangement for that?

Mr. HEES: I suppose you could say that the naval people feel that if they are not operating the ship they will not be able to train with it. However, in respect of the question of cutting down on the number of staff required to operate it, the navy requires 200 men as a result of the different type of operations they carry out whereas we require only 100 men.

Mr. SMITH (*Simcoe North*): Not that Mr. Fisher's original question was relevant to the matter we are discussing now, but since he brought up the matter of the Labrador, during its northern expeditions in the summer, will it carry naval personnel who are trained as scientists?

Mr. HEES: These facilities are available for the use of the Defence Research Board in the summer time when the Labrador is operating in the north.

Mr. FISHER: Is the cost of the Baffin inquiry to be charged to this department under administration?

Mr. HEES: The immediate cost of the inquiry will be charged to the Department of Transport, but not the cost of repairs to the ship.

Mr. FISHER: Yes.

Mr. HEES: This subject would fall under marine services, item No. 419.

Mr. FISHER: As far as repairs to the ship are concerned, is there an item in the estimates covering that?

Mr. HEES: In regard to the question of repairing the ship I would simply say that the ship belongs to the Department of Mines and Technical Surveys. However, in so far as the inquiry itself is concerned, the Department of Transport must bear the cost.

Mr. WRATTEN: Mr. Chairman, I would like to say that I did not think the few remarks I made the other day would have such repercussions. Apparently there are a lot—when I say “a lot” I mean a good number of civil servants—who are very concerned about what is going on. I do not know whether this is the appropriate place to bring this up or not, but I wonder if the minister could go to the treasury board and acquire enough money to complete an investigation of his department, conducted by a firm of efficient experts—not a group from the Civil Service Commission itself, but a firm of experts who know the score in relation to business administration—in order to find out whether we do have people employed who are not doing a job for the government. I would be perfectly willing to apologize if an investigation of this type proved that I was wrong. However, as a result of letters and phone calls that I have had in the past two days I feel that I am on the right track. I feel the people in this country are concerned about this situation. I do not know whether I am in order or not, but I would like to see a complete over-all investigation in respect of one department of the government to see if this situation exists, and if it does, then a follow-up in respect of the whole civil service.

If Mr. Bates, as he has stated, could make a change in his personnel, effecting a savings to the country of some \$2,500,000 while operating as efficiently, then I think the same thing could apply to other departments. I would like to see an investigation like this carried out.

I feel the people of Canada would be behind such an investigation. I think the people of Canada expect us to operate as economically as possible.

The CHAIRMAN: Are there any other questions in respect of item 414 gentlemen?

Item agreed to.

Item 628. (Supplementary) Departmental Administration—Further amount required	\$98,720
---	----------

Mr. HOWARD: Would it be possible for the minister or his deputy to give us a general breakdown as to what this item covers?

Mr. BALDWIN: Are you speaking of the supplementary item, sir?

Mr. HOWARD: I am speaking of the supplementary item, 628.

Mr. BALDWIN: Yes.

The breakdown is primarily in relation to personnel.

We have been under some criticism in respect to our failure to be as expeditious as we should be having regard to a substantial number of land purchases that we are engaged in for various purposes.

This sum of money will provide some additional assistance to the land branch staff in the Moncton and Montreal areas with the hope that this will help them get ahead with their work a little faster.

We have also been under some criticism for our failure to proceed as expeditiously as we might in handling some of our purchase accounts. There is a small item here for an additional clerk, grade 3 and a typist for the purchasing branch with the hope that we can get ahead with the settlement of some of our accounts a little more rapidly.

The small addition in the personnel division again largely relates to the very large growth of the air services branch. We hope this will assist them in handling their personnel matters.

This item involves a series of things of that sort, sir. I think those are the main ones.

Mr. HOWARD: These items are all contained in the main item No. 414, covering departmental administration?

Mr. BALDWIN: This all comes under departmental administration, yes.

Mr. FISHER: I have a question arising out of the point Mr. Wratten brought up.

How long has it been since the Civil Service Commission has analyzed its headquarters administration from the point of view of staff and efficiency? Has this been done recently?

Mr. BALDWIN: There is an analysis conducted every year through the medium of the special establishments committee that I mentioned at the last meeting, sir. In addition to that we are constantly in the process of either making, ourselves, or with the assistance of that special committee—usually they do it at our request—what we call special unit surveys.

These special unit surveys are going on all the time. As one survey is finished we make a request for another in another area. These are really surveys of the administration, which the Civil Service Commission undertakes, of a detailed operation of a given unit. However, these detailed surveys are not made of every unit every year. Making again a rough guess, I would say that in rotation every unit is covered by one of these unit surveys on a cycle of two to four years.

Mr. FISHER: I would like to ask a question of the minister.

The idea of having a parallel to the Harbour Commission in the United States has been mentioned a number of times by members of the party to which the minister belongs while they were in opposition. Has any thought been given to that idea? What is the minister's opinion in respect of the effect such a commission would have on his department? Would the minister recommend against such a commission at the present time?

Mr. HEES: If the government decided to set up such a commission I would not recommend against it at all. This would be a matter of government policy, not departmental policy.

Mr. HOWARD: Mr. Chairman, I have a question in regard to something that probably should have been dealt with under the main item, and this is one of the reasons why I had hoped that we would have an opportunity to ask questions on specific items as they arose.

My question relates to the unit surveys that are carried out from time to time. Am I correct in my recollection that recommendations as result of these unit surveys are forwarded to the department in respect of administrative or structural changes? I am not sure this applies to the Department of Transport, but it is my understanding that a number of these recommendations that have been made by the group making the survey have been completely ignored by the administrative officials, and have not been put into effect. This situation causes some frustration to the people making the surveys.

As I said, I do not know whether this situation exists in the Department of Transport, but could the minister make a statement in regard to it?

Mr. HEES: This does not apply to our department.

Mr. BALDWIN: We in this department have found these surveys to be very helpful. While I would not guarantee that we have accepted 100 per cent of the suggestions, they act as a very important guide to us.

Mr. HOWARD: Generally these recommendations are accepted?

Mr. HEES: In respect of this question of staff efficiency, I would again like to repeat that individual members of parliament could make a great contribution in respect of the Department of Transport's operations within their own ridings if, when they saw that an operation was not being carried out as efficiently as it should be, or could be done with fewer employees, they made recommendations to the officials here in Ottawa. We would certainly give very serious consideration to any such recommendations.

The fact is, nearly all recommendations coming from members of parliament are of the nature of violent protests again the cutting down of services within their ridings. As a matter of fact, members are always anxious to have the services increased in their own ridings.

I am very sincere when I say that we would welcome any recommendation you could make which would result in a more efficient and better job being done. We would welcome any such recommendation. If after studying it we found that a recommendation was upheld, we would certainly take the appropriate action.

Mr. FISHER: Mr. Chairman, I would just like to state in regard to my own riding that I have been very pleased with the services of the Department of Transport as I have seen them. I think these services are done on a very high plain. From what I have seen around the Fort William and Port Arthur harbours, I would say that we are receiving full value from the men employed there.

Mr. HEES: Thank you.

Mr. McDONALD (*Hamilton South*): I would like to say the same in respect of Hamilton.

Mr. HEES: I am sure that it is the same for all of you. I think all the members may just as well be placed on the record as having said that.

Mr. HOWARD: I was wondering if you were going to ask for a vote on that.

Mr. HEES: I am sure it would be unanimous, Mr. Howard.

Mr. HOWARD: I would like to express my ideas in respect of the suggestion just made by the minister. I know the suggestion was made in all sincerity, but I would be reluctant to delve into the details of the administration of a branch of a department to see if it was being run efficiently or not. I would rather see this investigation carried out by these people who conduct the unit surveys now, or some comparable group. This could be done by a group having knowledge of administrative structures and of business management, or something of that nature. They would be in a position to relate their appreciation of the relative efficiency of any branch of the department to the department itself. I do not think members of parliament would be capable of carrying out such an investigation, and for that reason I personally would be reluctant to do this.

Mr. HEES: What I had reference to, Mr. Howard, was that if you had an airport, a harbour, a canal or another operation of that type in your riding, and it seemed to you that every tie you passed through that airport, or stood on a dock, or happened to be in the vicinity where these operations were being carried out, that there were a lot of people standing around, or that an operation did not appear to you to be efficient, it would be appreciated if you would pass that information along to us. Then, without having delved into the situation ourselves, but with this information, we could take a very serious look at the situation.

Mr. WRATTEN: We have been trying to take an airport off your hands for quite a while.

Mr. HEES: I sincerely hope we will be able to work that problem out.

Mr. PASCOE: Mr. Chairman, I have had several letters from people residing in my constituency in regard to the slow payment for the purchase of land. Did I understand the deputy minister to say that the passing of item 628 would have the effect of speeding up these payments?

Mr. BALDWIN: This particular item relates to the personnel in eastern Canada. We are hoping to make some improvement in the next estimates for western Canada.

There again, the problem has been one of very careful review. We have been asked to go a little slower in this regard.

Item agreed to.

Item 415. The St. Lawrence River Joint Board of Engineers—Canadian Section...\$132,090

Mr. FISHER: Could the minister give us a brief review of the scope of this item?

Mr. HEES: I would be very glad to.

The joint board of engineers was established by the Canadian and United States governments to approve on behalf of the two governments the plans and specifications for the power works in the St. Lawrence seaway, having regard to the Ontario Hydro Electric Power Commission and the New York State Power Authority, to insure that the works were actually constructed in accordance with the approvals given.

The object, of course, was to make sure that the power construction phase was technically satisfactory and conformed with the over-all requirements for the seaway. In other words we had a plan for the seaway and we had a plan for power development and we wanted to make sure that the power development did not interfere with the overall plan for the seaway.

This joint board of engineers was set up, and that is what their job has been.

Mr. FISHER: Will their job disappear?

Mr. HEES: Their job will disappear as soon as the work is completed. This board will disappear next year.

Item agreed to.

Item 512. Loans to the St. Lawrence Seaway Authority in such manner and subject to such terms and conditions as the Governor in Council may approve \$128,000,000

Mr. CAMPBELL (*Stormont*): Mr. Chairman, I would like to ask a question in regard to the previous item, the St. Lawrence River Joint Board of Engineers—Canadian Section.

Having regard to extra work that has been necessary in regard to the bridge at Cornwall in order to meet the specifications of the United States army engineers, I was wondering if this deficiency was discovered by this particular engineering board, or whether they would have any connection with such a situation. What responsibility would this board have in that regard? Were they acting in an inspection capacity? If they were acting in that capacity perhaps they should have discovered this engineering deficiency earlier.

Mr. HEES: I am awfully sorry, I could not get what you were saying, Mr. Campbell.

Mr. CAMPBELL (*Stormont*): I was referring to the extra work that has been required on the bridge at Cornwall in order to make the foundations conform to the requirements of the United States Army engineers. Apparently there was considerable additional work and expense involved in this in order to meet the specifications of the United States army engineers.

I am wondering if this engineering board acted in an inspection capacity, and if so, why they did not discover these inadequacies earlier and thereby perhaps have prevented the necessity of this additional expensive work. Would this be a responsibility of your department?

Mr. HEES: I can give you an answer in respect of the inadequacy. This inadequacy was not an inadequacy in plans. The inadequacy occurred because of the actual placing of the concrete.

This method of the placing of concrete inside the caissons is a new method. It was one that did not work out very well in this particular case

on the first attempt. We hired the best firm of civilian consulting engineers that we could obtain in order to find out who was to blame, whether our own inspectors or the people who actually laid the concrete. This firm was not able to determine exactly who was to blame. It turned out to be one of those borderline cases where the blame could have been laid to either one or the other. It was indeed an unfortunate thing.

Air got into the concrete. This could not have been discovered until the concrete was actually laid and the piers tested.

Mr. CAMPBELL (*Stormont*): A supplementary question. If the origin of the fault or error cannot be discovered and the responsibility for this error cannot be placed then presumably the contractors do not have to assume liability for it?

Mr. HEES: That is right. I assure you we did everything possible. We brought in this outside firm of engineers in an attempt to determine who was to blame but it was impossible to do so.

The CHAIRMAN: Any other questions on item 512?

Mr. FISHER: Has the minister noted that an attempt is being made by the American legislative people to free the United States equivalent of the St. Lawrence Seaway Authority from any departmental connection? I just wondered whether this would have any possible effect on its Canadian equivalent?

Mr. HEES: Yes. The deputy minister tells me that the story he saw was to the effect that it was being taken out of commerce and put under the defence department. We do not know anything more than that.

Mr. CHOWN: Of \$100 million authorized in the 1957-58 estimates—

Mr. HEES: Would you like to come up closer so that we could perhaps hear you a little better?

Mr. CHOWN: I must attend another committee meeting, Mr. Chairman, so I was sitting close to the door.

Of the \$100 million in respect of item 512, how much was actually spent?

The CHAIRMAN: That is the figure for the 1957-58 estimates?

Mr. CHOWN: Yes.

Mr. HEES: In regard to that question, \$98,624,484 was spent on construction and allied projects, and \$4,694,000 was spent on construction of facilities and equipment. It was a little bit over the \$100 million mark.

Mr. CHOWN: You spent more than the \$100 million?

Mr. HEES: Yes.

Mr. CHOWN: To follow this point up, Mr. Chairman, I would like to suggest that it might be helpful if the deputy minister could supply us with the actual expenditure of these larger items, for comparison purposes. Perhaps it could be supplied in the form of a mimeographed sheet. I know this is dealt with under public accounts, but it is rather unrealistic if you do not have the comparison before you. Could the steering committee consider that?

Mr. HEES: We have all the details here. If there are any questions which you would like to ask, go ahead and ask them.

The CHAIRMAN: Have you a question, Mr. Chown?

Mr. HEES: If you would like to look it over later, we have it all in the book here and would be glad to have you, or any other member of the committee, take a look at these details any time.

Mr. CAMPBELL (*Stormont*): I have a question, about the financing of the St. Lawrence seaway authority. Perhaps I should know about this. Do all

the funds and appropriations for the St. Lawrence seaway authority go through the Department of Transport, and are they in that budget, or do they go directly from treasury to the seaway authority?

Mr. BALDWIN: They are part of the printed estimates under this heading of loans and they come under the departmental budget in a separate item under the heading "seaway".

Mr. CAMPBELL: I suppose it is analogous to the C.B.C. which reports to the Minister of National Revenue similarly.

Mr. FISHER: Usually in respect of these large projects the projected costs are lower than what actually develops as the work goes along. Has that been the case in respect of the St. Lawrence seaway?

Mr. HEES: In many instances, yes. A number of the original estimates were made some time ago and labour and other costs have increased. Also in some instances difficulties have been encountered which required slightly different treatment than was previously considered. If there are any changes or increases they are submitted, first of all, to me by the seaway authority and recommended by me to the treasury board and passed by the treasury board.

Mr. FISHER: In following this whole project through the newspapers one has the impression that most of the pressure descended upon Ontario Hydro in relation to changes in shifts. Did that affect the department in any way at all?

Mr. HEES: I do not know of any real affect it had at all.

Mr. CAMPBELL (*Stormont*): On this matter of loans, this would be supplementary to the treasury appropriations for the seaway authority; would it not?

Mr. HEES: No. The appropriations are made by loan from the government of Canada to the seaway authority. All the money put into the seaway is in the form of a loan to the seaway and will be paid back by means of tolls over the next fifty years.

Mr. CAMPBELL (*Stormont*): This item here, I believe, is supplementary to the ordinary item?

Mr. HEES: No.

The CHAIRMAN: This is under loans and investments, item 512.

Mr. WRATTEN: This is the regular yearly loan to the St. Lawrence Seaway?

Mr. HEES: Yes. Each year the seaway authority estimates, like any other department, what it will need for the next twelve months.

Mr. WRATTEN: This is their money for the next year's operations?

Mr. HEES: Yes.

Mr. SMITH (*Simcoe North*): Presumably the Minister of Finance would issue \$100 million in bonds to cover the money advanced to the seaway over a long term?

Mr. HEES: The Department of Finance gets its money in various ways.

Mr. SMITH (*Simcoe North*): In this type of long-range investment it would be paid for presumably by some loans.

Mr. HEES: We do not worry how they get it as long as we get the money we need.

Item agreed to.

Item 416. Canal Services—Administration, \$162,855.

Mr. FISHER: Is it true, Mr. Chairman, that the American authorities at the Sault refused to allow foreign shipping to go through their canals and that foreign shipping is routed through the Canadian canal.

Mr. R. J. BURNSIDE: (*Director of Canal Services, Department of Transport*): There is an arrangement with the Americans whereby they do not pass passenger vessels or foreign vessels. They are passed through our side of the canal will not be in a position, in the future, to take the large ocean ships

Mr. FISHER: Rather than security reasons?

Mr. BURNSIDE: I meant to say security, and safety. Theirs are the larger locks and they are deeper than ours and carry the greater volume of traffic actually—the freighters. Since we cannot reasonably deny them passage, which we have no desire to do actually, they are allowed to carry on through the Canadian side of the lock.

Mr. FISHER: This raises questions for the future in connection with which I had a letter from the minister in relation to the carrying through of the final deep sea operations into Lake Superior. As I understand it the Canadian canal will not be in a position, in the future, to take the large ocean ships which may be going up into Lake Superior. Is that correct?

Mr. BURNSIDE: That is correct. It would entail the construction of a new lock on the Canadian side.

Mr. FISHER: What discussions have there been with the American authorities? It seems, from what the gentleman said, Mr. Chairman, that you will have a bottleneck in the future which might keep us from obtaining full advantages in the future on Lake Superior. What arrangements have been made to see that foreign ships will use the big canals in the United States after the dredging lower down in the lake system has opened it up?

Mr. BURNSIDE: That question is allied to the situation which now prevails in respect of oilers or gasoline carriers. If a gasoline carrier is too large to go through our locks, they are permitted to go through the American locks although the danger from a large ship is greater than from a smaller ship. Nevertheless they do not deny passage to a vessel. It is probably a matter of convenience that if we can handle them we are glad to take them because the risk is not so great if some disaster should happen. As far as I am aware the same will apply when the seaway comes into operation and there are large foreign vessels too large for us to handle.

Mr. FISHER: Is this deemed to be a satisfactory situation at the present time by the department?

Mr. BURNSIDE: Yes; as far as we are concerned. We feel we are not suffering. The risk is quite minor. The risk is certainly not as great as the risk involved in allowing them through the Welland ship canal.

Mr. FISHER: How do you explain that the Americans have this slightly different concept in respect of security than the Canadian authorities have?

Mr. BURNSIDE: That is pretty hard for me to answer.

Mr. WRATTEN: Are there any tolls on the Sault canal?

Mr. HEES: No.

Mr. WRATTEN: If our big boats are allowed to go through the American canal it is a two-way deal and we do not suffer at all?

Mr. HEES: No.

Mr. McDONALD (*Hamilton South*): Is there any truth in the story that the Americans are surveying for a channel between Lake Ontario and Lake Erie for a canal something similar to the Welland canal?

Mr. HEES: I have not heard of it. There has been some newspaper speculation, but we have not heard of anything authoritative.

Mr. FISHER: Returning to the questions in respect of Sault Ste. Marie, when these big foreign ships go through the American canal are they required to have pilots on board?

Mr. BURNSIDE: Not at this time.

Mr. FISHER: In other words, the Americans will let these ships go through without a pilot?

Mr. BURNSIDE: To the best of my knowledge; yes.

Mr. CHOWN: What is the depth of the St. Lawrence seaway canal system and what limitations, due to the depth, are put on the capacity and size of ships with their respective drafts, when they go through the system?

Mr. HEES: This whole St. Lawrence seaway system is being built to accommodate 27-foot draft; at least the canals will be 27 feet in depth which will take a ship, I am informed, of not more than 25 or 25½ feet in depth.

Mr. CAMPBELL (*Stormont*): Why was it necessary, in the construction of the seaway, to close down the existing canal at Cornwall? I believe it was contemplated that the Cornwall canal would continue to exist and I believe there are vested interests who would like to have the same possibilities for free transit which they have had for over a hundred years in that area. Would there be any insurmountable engineering difficulties involved in retaining the full use of the Cornwall canal in conjunction with the hydro and seaway development; and if not why was this not done?

Mr. HEES: I have something here which might answer the question: "A portion of the Cornwall canal covering locks 15 to 19 will be kept open for 14-foot navigation to allow shipping to serve the Cornwall area."

Mr. CAMPBELL (*Stormont*): Precisely; but why was the whole canal not continued? From an engineering standpoint was it impossible? You have a facility there which provides a service. It could continue to provide a service. Was it essential for engineering purposes that this be closed down?

Mr. HEES: It is largely a matter of cost.

Mr. BURNSIDE: I think the cost would be excessive to provide for a fourteen-foot navigation through there. New facilities are provided in a slightly different way. The ships will be able to move as freely and with greater facility than they did before. They can still come into and service the Cornwall area. The dike is situated upstream from Cornwall and the ships can come up that far and will continue to do so for the foreseeable future.

Mr. CAMPBELL: I do not know whether or not this is the place to ask this question, but would someone care to make a comment on the article in the *Journal* of last night. It was to the effect that under the International Rapids Act it specified at that time, and evidently it was the original contemplation of the planners, that the existing fourteen-foot canal service would be maintained right through and it would not be just a means of access to the Cornwall industrial area.

Mr. BURNSIDE: The fourteen-foot navigation is being maintained and it will go through the new lock on the American side—the two new locks—and will pass freely. As a matter of fact a considerable amount of planning has gone into the preparations to accomplish that very fact so that the ships would be permitted to go through.

Mr. CAMPBELL (*Stormont*): It is only maintained in the sense that the greater contains the smaller. If the 27-foot draft vessels can go through the two American locks, obviously the 14-foot draft vessels can also. To that extent 14-foot navigation is preserved. But you could also say that the 14-foot navigational channel has been replaced by a larger one on the American side. That was not what was originally contemplated according to the article and according to a cursory reading of the statute in this connection. The way the statute reads one could interpret it that the original contemplation was to preserve the existing facility in the Cornwall canal area, in other words,

straight through navigation; so there would be two parallel systems, one for less than 14-foot draft traffic and the other the deep water seaway down through the United States portion where tolls, of course, will be charged. This is, of course, a matter of tolls.

The CHAIRMAN: Would you mind speaking a little slower?

Mr. HEES: If we had continued the 14-foot canal about which you are speaking, the cost would have been so great that it would have been the obvious thing to build the regular full draft channel on the Canadian side and make it an all-Canadian seaway.

Mr. CAMPBELL (*Stormont*): That is, of course, what I am hoping in the near future will eventually be done.

I have another question which perhaps is not a fair one. Will the closing down of the existing 14-foot navigational canal at Cornwall be likely to hasten or impede the eventual construction of an all-Canadian canal? That is a matter of speculation.

Mr. HEES: That is a matter on which I am afraid I would not like to speculate.

Mr. FISHER: The department and the government has encountered a great deal of trouble, and representations, in respect of taking care of the old Welland canal in relation to complaints from the communities involved that it is a hazard in terms of life and everything else. Are we going to have a problem like this when these other canals are put out of circulation?

Mr. BURNSIDE: They will all be drowned; they will be flooded out.

Mr. CHOWN: I have heard that had the St. Lawrence seaway system been cut to a depth of another three feet, in other words, thirty feet it would have carried quite a few additional ships. Not knowing much about ships, would the witness be prepared to say how much traffic was cut out and perhaps also give us an idea of how deep the draft is of ships larger than twenty-seven feet.

Mr. HEES: I think probably the only man who could give you the answer to that question is not here today, Mr. Chevrier who was the Minister of Transport at that time. All these decisions were taken about ten years ago. Neither Mr. Burnside, Mr. Baldwin nor myself, are conversant with the thinking or the discussions at that time. I am afraid I do not know the reasoning which made the government at that time decide on building it 27 feet as opposed to 26, 28 or 30. The decision was made at that time and plans laid, and the seaway built.

Mr. CHOWN: Could you tell me the extent to which the drafts of big ships go; do they go as high as 40 feet?

Mr. HEES: They can go to 40 or more feet. I am told that the modern big tankers can go well over 40 feet. You have to draw a line somewhere and the decision was made on 27 feet.

Mr. CHOWN: Could we have a tonnage in respect of that figure of 27 feet?

Mr. HEES: No. You cannot because there is a great difference in the tonnage carried by a ship which is built to travel through the lakes and canals and one which is built to travel into the open sea. I would say that you can carry about twice the tonnage on a ship that does not go on the open sea because the sides come pretty well straight down and the bottom is almost flat. They are designed that way. I am told they would break up very quickly if they went out into the open sea. That is why there will be a great deal of trans-shipping still which will take place at Montreal and at other towns because it will pay the people who are doing the shipping to bring grain down and/or up in ships which are not designed to go out into the open sea and are designed just to travel through the canals and the great lakes.

To answer your question, it is impossible to tie tonnage to the depth of a ship.

Mr. SMITH (*Simcoe North*): As a result of the fact that I come from a part of the country where a great many of these ships are being built, I would say that the depth of the canal is determined by the design of the ship. They consider what the main cargoes are going to be that will be going through the canal and relate it to the economical size of the ships in relation to the draft and then they come up with a figure—27 feet—which is best.

The CHAIRMAN: Just a minute, Mr. Smith. When you turn away the reporter cannot hear what you are saying.

Mr. SMITH (*Simcoe North*): The draft of a ship does not necessarily relate to the tonnage, because some have very flat bottoms and some are very high. The depth of a canal is largely related to the type of cargo that ships are required to carry.

There was great discussion carried out by our experts at home during all that time. It was decided after those discussions that 27 feet was the figure that was most economical in relation to the ships that would be using the canals.

The CHAIRMAN: Thank you Mr. Smith.

Mr. CAMPBELL (*Stormont*): I am very conscious of the inadequacies of this present deep-sea canal.

The deep-sea canal system is the responsibility of the previous administration and more particularly the responsibility of the former ministers of transport and the previous heads of the seaway commission. Nevertheless, it remains our responsibility to pull what we can of the chestnuts out of the fire and salvage what we can of the—I will not call it fiasco, that would be completely unwarranted. However, it is our responsibility now to make the best of what we have.

The answer that I received to my previous question was that the only reason why we could not maintain two parallel systems of canals; the Canadian 14-foot canal with an American 27-foot lock, for which there would be tolls of some sort, was because of the additional expense.

The CHAIRMAN: Mr. Campbell, would you slow down a little so the reporter can get it?

Mr. CAMPBELL (*Stormont*): The additional expense involved was given as the reason it was not feasible.

I understand that in the present 14-foot deep channel,—in other words the old Cornwall canal—there are just about two or three locks at the moment that will be closed down.

Now, the cost of operating two or three small locks, and the cost of employing the number of men required to maintain them to my way of thinking would be negligible in proportion to the cost of the whole project. Is cost a sufficient reason? I mean, if there are no insurmountable engineering barriers in respect of maintaining the existing old Cornwall canal, surely the relatively negligible cost would not be a sufficient factor to warrant the discontinuance of it even if it meant a 14-foot deep channel for local package trade, if you will.

Mr. BURNSIDE: The scale of the seaway envisaged a channel route on the Canadian side as well as on the American side. In none of the schemes, I believe, was it intended to maintain a 14-foot channel as such in its present condition.

In order to provide for future plans it is necessary to flood out these two locks above the seaway dyke. To my knowledge it was never a feasible proposition to maintain them as 14-foot units. The 14-foot ships, as they continue to exist, or as long as they continue to exist, can use the new and larger facilities, as they are presently doing in the Welland canal.

It would be an uneconomical and excessive cost to attempt to continue to maintain those 14-foot channels as such on the Canadian site. They will be flooded out.

Mr. CAMPBELL (*Stormont*): Would you care to relate the cost of the new channel to the additional cost of maintaining the 14-foot inside channel?

Mr. BURNSIDE: No, I am afraid I cannot.

Mr. FISHER: My question is directed to the minister and relates to what was in effect an economical interpretation in relation to a certain amount of trans-shipping that is still going to take place. It seems to me implicit in what he said, that lakes ships will still have a competitive advantage within this system. If we accept that argument why is it that the dominion marine association and other lake shippers are so anxious that there should be discriminatory tolls charged against foreign ships because they are afraid they will not be able to compete. I think their concern is expressed by the fact that they made representations to the royal commission on coastal shipping that some form of protection should be given them.

Mr. HEES: What discriminatory tolls are you referring to?

Mr. FISHER: I am referring to discriminatory tolls against foreign ships. That is, they feel that there should be an addition toll craged to foreign ships.

Mr. HEES: I am not in a position to explain the thinking of the dominion marine association, Mr. Fisher. I have enough trouble trying to explain matters that come within my own jurisdiction.

Mr. FISHER: I just wanted to get on record the feelings of the Department of Transport in respect to a protection of that kind.

Mr. HEES: I do not think I should be called upon to comment on the thoughts of the dominion marine association, or anything else to do with them?

Mr. FISHER: It seems to me, Mr. Chairman, that in this particular case the minister has given us an interpretation of the future based upon the belief that lake shipping will more than hold its own, and that there will be a considerable amount of trans-shipping. I just wanted to point out that the fears expressed by the inland shipping interests would seem to indicate that they did not accept that argument.

Mr. HEES: If they do not accept that argument that is their right. I have stated the case as I understood it and as it has been explained to me by shipping people.

Mr. CAMPBELL (*Stormont*): To paraphrase that question, has foreign shipping any comparative advantage over the existing inland canal ships?

Mr. HEES: No.

Mr. CAMPBELL (*Stormont*): They obviously have the one advantage of a cheaper wage scale?

Mr. HEES: That is right.

Mr. CAMPBELL (*Stormont*): That is the only advantage?

Mr. HEES: Yes, I believe so.

Perhaps I might elaborate on that situation. Any ship coming to Canada and passing through our canals would actually have a disadvantage compared to lake ships which can carry more per passage through the locks.

Mr. CAMPBELL (*Stormont*): Of course, ship coming to Canada would already have a cargo. They would not make a special trip to handle local shipping?

Mr. HEES: No.

Mr. SMITH (*Simcoe North*): Mr. Chairman, I think there is one advantage that Canadian ships have. Package freighters which are Canadian built are equipped to mechanically handle cargoes quicker, and designed to handle Canadian cargoes.

The same thing would apply to ore carriers, or our combination wheat and ore carriers. They are designed to handle the maximum cargo that they will receive in Canada and for that reason have a considerable advantage over foreign ships which are usually of the other type.

Mr. RYNARD: Mr. Chairman, there are two questions I would like to ask. The first question is, could there be a survey made, through this department, so that we could know what towns and what cities will be affected along the waterway as a result of the fact that we will be handling ocean shipping as well as lake shipping, and whether ocean shipping will have an effect and whether lake shipping will have an effect. I am particularly concerned with this question.

We have elevators and so forth, and I am wondering if this department could initiate a survey to find out what the effect will be upon those towns and cities along the seaway. I appreciate that you have not got the answers with you at the moment. I could hardly expect that.

However, I wondered if a survey such as that could be carried out so that every city and town would know pretty well what to expect and be in a position to make plans for the future.

My second question has to do with the Trent valley canal that was started in 1826, and the waterway that was supposed to have been completed.

This waterway was started as an imperial project and was supposed to have been completed years and years ago. Every minister of the Department of Transport and the Department of Trade and Commerce has considered this waterway and given it their blessings. These ministers in the company of the leading engineers of those days have explored the potentials of this waterway.

In 1916 due to a war crisis dams were built and water power facilities were installed. A marine railroad was built there. That marine railroad was supposed to be a temporary thing. However, since that time the canal has been completely neglected. It was completely forgotten and neglected for 22 years during the Liberal administration.

We believe there are dozens of reasons for going ahead with such a plan. One of the most important reasons is that the founder of this country, Champlain, was the man who first travelled on that waterway. I think all of us can look up to him with a sense of pride because he was the man who came to that land, the first farming land of Canada, and the man who mingled with those Indians and wanted to make the Indian nation an equal nation. This is important especially when we consider that the Spaniards about the same time were colonizing down in Mexico and slaughtering the Indians there.

I believe we have a real national appeal, from the Atlantic to the Pacific, in that the French, English, Irish, and Scottish form one genetic group. We have great common ground in that this is the greatest and longest waterway in the world.

Gentlemen, I make my appeal to you to finish this great waterway that was commenced in 1826 but which over the years has been forgotten.

The CHAIRMAN: You are speaking of the lock at Swift rapids?

Mr. RYNARD: I am speaking of the lock at Swift rapids, yes.

The CHAIRMAN: And you are speaking of the Severn river.

Mr. RYNARD: That is right.

Mr. BALDWIN: On the first question, Mr. Rynard, the matter of the overall type of survey that you mention is a little bit difficult to contemplate in terms of organization. However, we are trying to achieve very much the same sort of thing at the present time by means of a joint travelling team, along with the Department of Public Works, composed of both engineers and economical advisers from the two departments. This team has been visiting quite a number of the harbours involved in the Great Lakes' system at the request of the local municipal authorities.

We have been discussing the matter with the local authorities. This team reports, to the Department of Public Works, what they think the future holds, or will hold for a particular area. So that, in fact, is what is being done by this team project.

The second point regarding the Trent valley canal, of which we are very proud because of the fact that it is one of the important historical and attractive tourist waterways of the North American continent, is that we are anxious to improve the facilities there and are doing our best to accomplish that.

The question as to whether the admittedly old marine railways should be replaced by new canals now, or should, on an interim basis, be replaced by a new, better and bigger marine railway until the traffic proves the necessity of having a canal, is purely one of dollars and cents.

Our discussions with the treasury board so far have indicated that the next step would probably appear to be a bigger and better marine railway since the present ones are rather poor.

We have this plan in mind, and if the waterway traffic should develop even further then further consideration might well be given to the question of canals.

Mr. RYNARD: Mr. Chairman, I am very happy to hear that assurance given by the deputy minister. I would just like to remind him of the fact that he does not get up that way very often, but I can assure him that I was over that road last Sunday and know that the number of boats going through there is terrific.

During one day last year there were more boats put through than there were during the whole season in 1939. In 1957 there was double the number of boats going through than there was in 1955.

I am sure, Mr. Baldwin, that if you build another marine railway there you will not be able to handle the traffic or size of boats that will necessarily have to go through. I am sure you are sympathetic from a national standpoint, and I appreciate that, but I wish you would take a good long look at the situation there.

The CHAIRMAN: Thank you Dr. Rynard.

I might mention that I was president of the Trent waterway development association for six years. This association represented all the cities and towns for 250 miles along the canal.

Mr. RYNARD: I should have mentioned that fact, Mr. Chairman.

Mr. CAMPBELL (*Stormont*): Apropos of Dr. Rynard's first question, let me say that about every four of five years the city and municipal authorities of Cornwall have made representations to the previous administration and ministers of transport in order to get something in the nature of a coherent economical survey of the harbour potential of Cornwall.

I am delighted to say that it was a result of this present administration—in fact very recently, about two weeks ago—that we had a full completely comprehensive inspection of the harbour potential at Cornwall. There were these—what shall I say—very responsible experts who came down there. They spent two days going into the whole thing extensively interviewing anyone who wanted—

Mr. HEES: Could you slow down Mr. Campbell? We do not want any of these "pearls" to be missed by the shorthand reporter who is having difficulty in getting down everything you say. I would not want him to miss any of them.

Mr. CAMPBELL (*Stormont*): I am sure this will be of tremendous benefit to the realistic plans in the local area, because there have been a lot of roseate conceptions in that area, as there no doubt have been in other seaway areas.

The value of this extensive survey, of course, locally is determined by the availability of the report to the local authorities. I understand that that report has not been completed yet. I would hope that at least the relevant portion of that report will be made available to the local authorities as I am sure it will be of very great use to them in the realistic planning for the future.

Mr. FISHER: In relation to the question raised by Dr. Rynard, I have discovered that last year the people who made the most surveys were geographers from the University of Chicago. As a matter of fact one of them was hired by the government of Manitoba to make a survey of the potential development of the area.

The only public surveys that have been carried out in Canada that have received any publicity were those made by a geographer from the University of Western Ontario.

It seems to me that Americans, especially from the ports of Milwaukee and Chicago, have made better studies of the potentialities of the St. Lawrence seaway, and how it will affect the communities. I am afraid that the Canadian surveys did not give much consideration to places as small as Cornwall, and I put Cornwall in the same category as Port Arthur and Fort William when comparing it with Milwaukee and Chicago.

I was wondering if we could hope for a study in this regard, in broader and more general terms such as has been introduced in the United States.

Mr. HEES: As the deputy minister has said, we have made many surveys of various areas. As you know, we made quite an extensive survey of the Lakehead harbours, as a result of which we constructed facilities there to meet the needs which would be created by the completion of the seaway.

Regarding the extra traffic and extra business that will occur in those ports is something which I think is going to be very difficult to forecast. To me it appears very much like the building of a highway. The benefits accruing to the people living along that highway are largely dependent on the efforts of those people themselves. In other words, a person who builds an attractive hotel, an attractive restaurant, a shopping centre, or something of that kind will reap the most benefits which will be in proportion to the imagination and energy he puts into it.

I think that the ports along the St. Lawrence seaway are going to derive benefit in direct proportion to the amount of energy expended in an attempt to attract business to that port. I do not think it is possible for us to forecast with any accuracy what the advantages are in an exact way. We could arrive at a rough idea, as we did in the case of the Lakeheads. We have decided that certain port facilities are justified and we are going to go ahead and build them after the harbour commission is set up.

To go further than that would, I think, be getting into the realm of speculation. I think this might even be dangerous in that if you painted a glowing picture to a certain community the people might take it as an indication of something that is actually going to take place and build facilities in expectation of what they believe is going to take place. If it did not take place then there would be serious trouble.

I think that what we are doing is the successful thing to do. I am only too glad to assure the committee that as port facilities anywhere in Canada are justified—that is an extension of them, building them or enlarging them

within the powers that we have we will develop them. We will assist, in every way we can, any particular community that can justify the need. I think that is our job.

Mr. FISHER: Just for the sake of the record, I was wondering if that kind of an answer was satisfactory to the gentleman representing those areas that will be affected.

Mr. HEES: I hope it is satisfactory.

Mr. SMITH (*Simcoe North*): I do not think you can make any accurate estimate. We have people who want large package freight docks and such facilities. However, I do not think that until enough traffic begins to move through the canal that we will have any accurate knowledge in respect of the necessary facilities, except in certain obvious places such as at the Lakehead.

However, in regard to the small communities I do not think, until the traffic starts moving through the canal, that you can get an accurate picture of the needs.

Mr. HEES: That is right.

Mr. SMITH (*Simcoe North*): We have had in our own town a very similar case in respect of a controlled access highway—the famous “400” highway. When that was being built the municipal officials at the time cried “ruination”, and said that the businesses were all going to move out and that everyone would be broke. The situation did not develop at all as was expected. It turned out to be the best thing that ever happened to Barrie. All the businesses that were supposed to go bankrupt are expanding.

I feel that we will have a similar experience in respect of the seaway. Except, in respect of Fort William and Port Arthur, which are the vessel terminals, which they have to compete with the traffic from Duluth, I do not think you can really say what is going to happen that will affect places like Collingwood and Midland.

Mr. RYNARD: In regard to that point, would not the fact that we have storage space for wheat in Midland and Collingwood have a reasonable effect on the expected traffic there?

Mr. HEES: I think that the people of those communities themselves are in as good a position to forecast the business that is liable to accrue than we are. If you would like to check with the people in the Department of Transport, I am sure they will discuss the situation with you, and will be able to tell you what the situation is. However, we do not possess, a crystal ball which would enable us to forecast with any accuracy what will take place in the future. I am sure that the officials of the department will give you all the help they can regarding the technical details of this St. Lawrence waterway.

Mr. RYNARD: We all know there is a shortage of elevator space. In these areas of which I speak they sell and store wheat. I would think that it would therefore be possible to pretty well know what ships are likely to come there. In other words, I would assume that there will not be too much effect. That would be my assumption.

I am of the opinion that a survey should be made. I think you will eventually have to make a survey, Mr. Minister, either through your department or through the Department of Trade and Commerce in order to be sure of that point. I certainly am not asking you to give us an answer this morning because I know that would be impossible, but I wondered if an investigation could be carried out along those lines.

Mr. CAMPBELL (*Stormont*): I made the boast in my previous remarks that I did not want to pinpoint the hon. gentleman down to answering, but

will these individual economic surveys in respect of particular communities be released to the particular communities? Will that be the policy of the Department of Transport?

Mr. HEES: We will discuss the matter with the Department of Public Works. These surveys are being carried out by the Department of Public Works and the Department of Transport jointly through this team I mentioned earlier. However, I believe this would be possible.

Mr. CAMPBELL (*Stormont*): Would it be useful if there was some correlation of these various reports that have been made so that some over-all pattern might be arrived at, or would the results of such correlation be nothing more than an intelligent guess?

Mr. HEES: That is right. What is going to take place in Cornwall will not necessarily have any effect on what is going to take place in Toronto, Hamilton or at the Lakehead. I think that each of the situations is a situation unto itself because of its location, and because of the traffic potential, and as a result of port facilities and so on.

Mr. CAMPBELL (*Stormont*): I suppose that if a ship stopped at Cornwall it probably would not stop at Kingston but would continue on to Toronto and vice versa?

Mr. McDONALD (*Hamilton South*): It would continue on to Hamilton.

Mr. HEES: It is difficult to say a ship is going to stop at one place and not at another. I think it depends on the services that a community offers. You may have ships stopping at Cornwall, as you may have stopped, for five or ten years, in a certain store. Then suddenly you decide that the service was not good enough and that you would go to another store. So might ships stopping at Cornwall suddenly decide that for some reason—perhaps because of better service—they would go on to Kingston, or to Toronto.

As a result of that, for us to try to tell you that you are going to have a certain volume would be very dangerous and misleading.

I think the whole thing depends upon the facilities available, the amount of services that are provided in ports for the moving of goods once they are landed, and so on. There are very many factors that enter into it.

Mr. CAMPBELL (*Stormont*): This problem of the anticipation of traffic requiring services is perhaps a version of the old dilemma, which came first the chicken or the egg.

On the other hand, if there are existing services they in turn will attract new industries to the locality.

Mr. HEES: My suggestion to you would be for you to have a talk with some of the senior officials of some of the leading ship companies at Cornwall, or in any community that will be affected by this seaway, and on the basis of what they tell you, you perhaps could guess what the future might hold.

These ship companies will be competing with ship companies of other ports for the business. It will be a very competitive business.

Mr. WRATTEN: Mr. Chairman, I believe the minister has negotiated an agreement for the filling in of the old Welland canal with the municipalities involved, is that right?

Mr. HEES: Yes.

Mr. WRATTEN: Has that work started yet?

Mr. BALDWIN: The engineering planning is now taking place. We hope to let a contract during the course of this summer.

Mr. FISHER: Following that up, I received a letter from Mayor of Merriton the other day expressing the view that while they had made an agreement and

were going along with the plan, they felt that it was not completely satisfactory from the municipality's point of view. I wonder if the deputy minister could comment in regard to that grievance?

Mr. BALDWIN: That is a rather tall order, Mr. Chairman.

All I can say is that negotiations have been going on with the three municipalities for periods of from four to five years in an attempt to find a solution to this problem. We have the concurrence of these three municipalities, but whether they are satisfied with the agreement or not I do not know.

This is a scheme which has been approved by the treasury board. It is quite a costly scheme which we hope to start this summer.

Mr. WRATTEN: I am very happy to know that the minister has been able to negotiate that agreement and that the canal is to be filled in.

Mr. FISHER: A point directly connected with the kind of service that can be expected there came to mind while I was reading the Congressional Record the other day. We must admit that in the United States there are a number of interested people who are against the St. Lawrence seaway, and have been consistently against it. One of the arguments expressed in the Congressional Record is that the Welland canal within three years would be a bottleneck, and that the Welland canal would not be in a position to carry the traffic that is expected to come along. Could the gentleman in charge of the canal services say whether our department has studied this problem and whether they agree with that general prognosis?

Mr. HEES: Yes. Our estimate is that this difficulty will not occur until much later than that. We estimate it will certainly not occur within ten years. We feel there will be plenty of time after ships start to move through the canal to assess the actual need. We feel there will be plenty of time for us to evaluate the shipping that will use the canal. It is pretty well agreed that we will have plenty of time to complete additional locks if those locks are needed. If the locks are needed they certainly will be built.

Mr. FISHER: The second point I wanted to bring up also has reference to canals and refers to a statement made by a member in the House of Commons the other day which was also referred to by a house representative. It has to do with the question of the Americans spending so much money in dredging the Saint Clair river to which Canada is not contributing at all. It seems to me this may be a point of future conflict and disagreement between the two countries when compared to the fact that Canada is contributing to the cost of the Welland canal system, and in fact to the cost of the whole St. Lawrence Seaway Authority.

Has the Department of Transport considered this particular point, and has it any opinions in respect of it?

Mr. HEES: This is simply a deepening of the American waterway. There has been no discussion between us and the American government about it. There has been no request that we share the cost with them.

Mr. FISHER: This is a very expensive dredging project, is it not?

Mr. BALDWIN: The dredging project on the Saint Clair river is an expensive one. I do not think that it is any more expensive than the dredging work that has been done anywhere else.

Mr. CREAGHAN: While we are still dealing with canals, gentlemen, I would like to direct a general question to the director.

We have had much discussion here this morning about an all-Canadian seaway and the extensions to it. If the committee members would look at the map hanging on the wall in this committee room, you will see on the east coast a slightly red area which probably represents Prince Edward Island. Immediately to the south is the Northumberland strait, and south of that

is the mainland of New Brunswick and Nova Scotia. Immediately south of that again is Chignecto bay. There is a small strip of land about 16 miles in length separating the Gulf of St. Lawrence or the Northumberland strait from the water on the east coast of the New England states.

In ten years' time when the seaway becomes overloaded we might be told in eastern Canada that if we built a Chignecto canal it would double the traffic in the seaway. One hundred years from then we still would not have a Chignecto canal.

It seems to me that before we have an all-Canada seaway it would be more national in scope if the Department of Transport considered seriously building a Chignecto canal. It would only be 18 miles long. The canal in central Canada will be hundreds of miles long yet it is being built.

I would suggest this is the time for this committee and the Department of Transport to seriously consider making a survey and to start building this long needed and much desired canal.

If it were built, 600 miles would be cut off the distance that ships must travel from the New England states to Montreal; at a great savings. Ships travelling from Montreal to the New England states must now go into the Gulf of St. Lawrence around Cape Breton island and south from there. With the building of the Chignecto canal 600 miles would be cut off that distance. This would assist lake shipping because it would provide an all-protected route. Lake ships cannot now go down to Halifax, Saint John and Boston, because they would have to go out into the Atlantic. We could provide an all-protected waterway by building a 16-mile canal between New Brunswick and Nova Scotia. The building of this canal was promised a long time before a central Canada canal. I think it was first considered in 1836.

Mr. RYNARD: It was in 1832.

Mr. CREAGHAN: Since 1832? Talk of that canal has been going on in Atlantic Canada; long before Confederation. It would improve lake shipping, it would improve the seaway and it would be good for the nation as well as being good for Atlantic Canada.

Could the director supply this committee at a later date, if he cannot do so today, with a statement regarding the views of the Department of Transport in respect of conducting a new survey in regard to that canal?

Surveys have been conducted by private industry in New Brunswick and Nova Scotia for many years. A recent survey was conducted in 1957 by a new Canadian immigrant professor of St. Joseph's University. That was given a lot of publicity in the last three or four months. I wonder if the director is familiar with this new survey and whether or not the department has any new plans.

Mr. HEES: This project has been looked at from time to time in the past. The surveys in the past did not indicate to the previous government—not this government—that there was economic justification for building a canal. Now we have asked the Department of Public Works to make a preliminary engineering review and bring engineering costs up to date and to give us a cost estimate. When we receive that we will make another economic study to see whether or not there is a better picture than was evident before. The matter is under study by the department at the present time.

Mr. CREAGHAN: Thank you. The most important point that has always been neglected in previous surveys has been that there is not enough shipping in the local area to warrant it. On a national basis it would mean that the lake boats which come down to Richibucto and Newcastle and other little ports on the east coast of New Brunswick to get pulp-wood or some such thing

would be able to go through and pick up merchandise in the United States. I think it would not only help the maritimes but would also help lake shipping in central Canada.

The CHAIRMAN: Are there any other questions on item 416?

Shall item 417 also carry?

Items 416 and 417 agreed to.

Item 418. Construction or acquisition of buildings, works, land and equipment, including payments to provinces or municipalities as contributions towards construction done by those bodies \$2,531,177

Mr. FISHER: On item 418, I wanted to ask will the vote for the development at the lakehead come under 418 next year?

Mr. BALDWIN: No, sir. That would normally be a vote under the estimates of the Department of Public Works, in all probability.

Item agreed to.

The CHAIRMAN: Shall item 629 of the supplementary estimates carry?

Supplementary item 629 agreed to.

CANAL SERVICES

Item 513. To provide for the acquisition of land required in connection with the development of the 27 foot Cornwall Navigation System \$100,000

Mr. CAMPBELL (*Stormont*): In respect of that item, I do not have a question to ask because I do not know anything about it; but I feel I should have questions and that perhaps I should make some investigation and be in a position to ask some intelligent questions. I feel it incumbent on me to be in a position to ask some questions.

Mr. HEES: The deputy minister will make a short statement.

The CHAIRMAN: I might say at our little study group that the deputy minister explained most of this to us.

Mr. BALDWIN: The purpose of this item, which is a continuing item from last year, is merely to allow the department to acquire the necessary lands which would be required if at some time the Canadian government decides to complete the all-Canadian seaway. The seaway authority and ourselves felt that practically speaking if we could acquire those lands that it would be wise to acquire them now and hold them rather than wait until some later date when it might involve some difficulties.

Item agreed to.

The CHAIRMAN: Shall item 661 of the supplementary estimate carry?

Item 661 agreed to.

Item 419. Marine services administration including agencies \$812,360

The CHAIRMAN: Are there any questions on this item?

Mr. FISHER: Is this a general item which would reach right down to item 425?

Mr. BALDWIN: Most of it comes under item 420.

The CHAIRMAN: We now have with us Mr. A. Watson who is the Associate Director in charge of steamer construction and operation program. The details of this item are on page 543.

Mr. HOWARD: I saw something a minute ago in respect of a lighthouse at Prince Rupert.

Mr. BALDWIN: That actually comes under item 421.

The CHAIRMAN: We are on item 419.

Mr. BALDWIN: That question comes under item 421.

Mr. FISHER: Is this the point at which I would be able to ask a question in relation to the icebreaking service in Lake Superior and, if so, would you give me a brief account of the change in departmental policy which has taken place in the past year in respect of icebreaking?

Mr. BALDWIN: Are you referring only to Lake Superior?

Mr. FISHER: Yes?

Mr. BALDWIN: We have not previously had, on the upper Great Lakes, any departmental vessel with icebreaking characteristics. We have had to rely either on United States coast guard assistance or on private tugs where need arises. The work at the lakehead was done by private tugs. We have had private companies, at the lakehead, at the end of and the beginning of the season do that work and they are still doing it. But the construction program does include in it a new vessel for the upper Great Lakes, from Georgian Bay on to the lakehead area, which is now being constructed and in fact will be launched, I believe, within the next month. This vessel will be built to icebreaking standards and we hope it will enable us to do a better job on our own.

Mr. FISHER: Will the vessel be stationed at the lakehead in the winter and clear it out first?

Mr. BALDWIN: I would prefer to answer that question in six months' time when we are at the completion stage; this is at present still under consideration. Our thinking at this stage is that it will probably winter at the lakehead.

Mr. FISHER: In that respect I brought to the department's attention representations from the fishing village of Rosspoint to the effect that it has been the custom there for the icebreaker to go out to pick up the lighthouse keeper at Rosspoint and in effect that was giving that village a week or two weeks head start in its fishing season by opening up the harbour. I imagine that will come to a complete stop because of the new arrangements. Is there any possibility of consideration being given to carrying on with that side service to this community?

Mr. HEES: We will look into that particular situation and give you an answer at the next meeting.

Mr. CAMPBELL (*Stormont*): In respect of persons employed on the existing old Cornwall canal who will be obliged to transfer elsewhere, and who I understand will lose their classification on transfer is there any way in which they could retain their present status and still be transferred?

The CHAIRMAN: That does not come under this item, but the deputy minister will answer it.

Mr. BALDWIN: This is a canal item. However, we do have a carefully planned program to do our best to absorb the personnel on the canals which are being flooded out and closed down. We have not been able to guarantee that every individual concerned will find identical employment at his identical present salary, although we are doing our best in that connection by an approach along several lines. Basically it is to keep on a number of persons past the normal retirement age rather than retire or replace them. We have obtained the cooperation of the seaway authority recently in giving as favourable treatment as possible in respect of the employing of our canal personnel, who are being displaced, in the new positions the seaway is opening up. Some of these have been taken on and others will be taken on. Where they already have a need for a man, we have let him go and are getting on with a casual replacement.

In the adjacent canal areas where we have a continuing canal operation as vacancies occur we are doing our best to accord preferential treatment to those employees who are being displaced; but in the cases where we do not have a comparable job and where the civil service commission has not been

able to find a comparable job, rather than put the man out on the spot and discharge him, if we have a vacancy at a lower grade we offer him the vacancy and advise him that he will have preferential treatment.

Mr. NIELSEN: One would think at first glance that the Yukon has no concern in maritime affairs, but a glance at the map will show we do have a coast-line. I have heard lately a good deal about the expansion of the department's operations in the Arctic. Would the minister make a statement on those operations?

Mr. HEES: Yes. I have something here on that:

The Department of Transport's tasks in the Arctic are resupplying of joint weather and defence stations, also DEW line and mid-Canada line, icebreaking and convoy assistance for shipping, provision of marine patrol and transportation services in the eastern Arctic for other departments, primarily northern affairs and health and welfare, and the organization and provision of supply services for Canadian government departments, civil and military, and for United States military services authorities as well.

In the western Arctic, the department makes arrangements for the movement of supplies for other Canadian departments. The greatly increased supply needs arising from the United States DEW line will be met by use of the Mackenzie river route, trans-shipment of supplies at Tuktoyaktuk near the mouth of the Mackenzie and distribution to western Arctic points from there by special ships, both tankers and dry cargo vessels, which have been provided by the United States government to the Department of Transport for this purpose, primarily to meet DEW line requirements. The principal operation agency is to be Northern Transportation Company, but the department in addition is to provide a special icebreaker to work in the western Arctic during the summer months to assist in this operation and will organize helicopter assistance to the extent necessary.

In the eastern Arctic our departmental operations are much larger. There, in addition to substantial volume of various types of ship-to-shore equipment, the department has been operating six to eight departmental ships for various purposes, and we expect that the number will increase to a dozen or more within the next few years. These vessels each summer visit the most remote and northerly points. In addition we have had under direct charter commercial vessels for eastern Arctic supply work. Operations include the resupply of the joint weather stations; the patrol carried out by the "C. D. Howe" in taking government personnel to various northern stations; the work carried out by a number of icebreakers which not only assist navigation through Hudson straits into Hudson bay and through the eastern Arctic generally but themselves carry supplies as well; and the general provision of a large amount of cargo for civil developments as well as for the major sea lift connected in supplying the mid-Canada line for the Canadian Department of National Defence and the DEW line in the eastern Arctic for the United States Air Force. My department has now taken over marine supply operations to the mid-Canada line and for the DEW line into the Foxe basin area with the expectation that the balance of the DEW line work around Baffin island will also be taken over by the department within the next year or year and a half.

Mr. NIELSEN: That answers my question in respect of these Arctic operations. I have a good many more questions which I could put to the minister concerning the coastal operations between western United States, Alaska, western British Columbia, and Yukon-Alaska. I do not believe I would be able to cover them in four minutes.

The CHAIRMAN: We will sit until 12:30.

Mr. HEES: Ask your questions.

Mr. NIELSEN: First of all it requires a short explanation. The policy I understand, both in the United States and Canada, is to reserve coastal shipping to ships of their own respective registrations. This has caused, in the long run, a higher transportation cost in the north, both in Alaska and the Yukon. I know we are not concerned with the development of Alaska, but again looking at the map it will be seen readily this is an economic island and you will see it is tied in with the development of northwestern Canada.

First of all I am wondering if any extension of the work done by the Northwest Planning Commission has been undertaken since 1957 in respect of the possibility of reducing the cost of shipping up the west coast into Alaska and the Yukon, because economically we must consider these two in the same light when considering transportation costs. Secondly, I wonder if any thought has been given by the government and this department, to date, along the lines of possible subsidies for shipping at the coast. I say subsidies, because the shipping period is only from the first weeks in May until the end of October. It is essentially a one-way haul.

The back-haul has increased in recent years because of mining operations, but it is still a long way from being an economical operation. Because of these economical features and because the United States has the small and more cumbersome freight vessels as opposed to the trim vessels used by Canada on this coastal trade which are carrying freight in essentially passenger vessels, perhaps we should use the vessels in use by the United States. Perhaps some relaxation of the basic policy as far as it is applicable to the policy of confining the shipping to ships of national registry could be relaxed.

My question is, has the department or the government given any thought to making some sort of inquiries along these lines?

Mr. BALDWIN: You are referring, sir, apparently to shipping along the B.C. coast? Are you talking about movement around Alaska to the western Arctic?

Mr. NIELSEN: No, I was talking about shipping from the western United States along the B.C. coast.

Perhaps I could explain a little further. The port of Seattle is roughly 600 miles south of Prince Rupert. Shippers from mid-western United States and western United States must ship, in bond, as far as they can go; to the rail head at Prince Rupert, and from there they must use United States ships to go north, so they must ship from the port of Seattle. Whereas, if these regulations that exist in both countries—and I suppose with a good deal of justification—could be relaxed in so far as it concerned the north Pacific region allowing shippers from the mid-western United States to ship by Canadian vessel, and for our shippers in Canada to ship by United States vessels, the cost factor might be lowered a good deal.

Mr. BALDWIN: I am again not quite sure that my answer will be adequate. It would amount to saying that we now understand that the United States authorities guard their coastal shipping laws which protect their coastal ships in this regard, rather jealously. We have at no time been aware of any indication that they would be prepared to relax their regulations or their laws allowing our Canadian ships more favourable treatment.

I think I would feel rather strongly that unless there was some indication of their willingness to relax their stand that there is very little point in our considering the relaxing of Canada's stand.

Mr. NIELSEN: Quite so. I do not suggest for a minute that one should do it without the other.

What I was suggesting is this, Mr. Chairman, this is not the first time that this sort of thinking has been brought forward. I suggested at the outset that the ships that are now used for the freighting of cargo by the United States could be used more adequately in this coastal trade by using those which are under Canadian registry.

My suggestion is that perhaps the Department of Transport could consider extending the inquiries that were initiated with the north Pacific planning commission which was, in the first instant, a commission conducted jointly by the United States and Canada, but because of the improvement in war conditions in the Pacific the United States dropped out of it, and it was completed by Canada.

One of their inquiries was directed along those lines. I could see that it would bear considerable fruit. Perhaps now that Alaska is approaching statehood the United States government may take a more active interest in a more economical development of this area.

I suggest that the whole Pacific northwest including northern B.C., northern Alberta, western Northwest Territories, as well as the Yukon is tied in with the same factors that affect the economical development of Alaska, so I think the possibilities of generating some cooperation as far as that area is concerned is very good.

Mr. HEES: Mr. Nielsen, thank you for your suggestion. We will take note of it and look into this situation.

Mr. NIELSEN: I have one further question, Mr. Chairman. I would like to get an explanation in this regard: I understand there have been subsidies for coast shipping in that area. I can think of one company that has been subsidized for a long time. I am wondering if some sort of approach might not be made, in conjunction with this government's thinking as to the northern development, to assist in the reduction of transportation costs into these areas by considering a direct subsidization of coastal shipping to Skagway?

Mr. HEES: We have got given consideration to that so far. However, we will take note of that suggestion, Mr. Nielsen.

Mr. ASSELIN: I would like to know how much it costs to operate an ice-breaker in the winter time?

Mr. HEES: Your question is, how much does an ice-breaker cost to operate?

Mr. ASSELIN: Yes.

Mr. BALDWIN: The cost depends on the size of the ship, of course.

Mr. ASSELIN: Would take the *C. D. Howe* for example?

Mr. BALDWIN: The *C. D. Howe* has been laid off for the winter. I am advised that it costs roughly \$280,000 for one of the minimum sized ice-breakers per annum.

Mr. WATSON: Would you like to know how much it costs for a winter season?

Mr. ASSELIN: Yes, how much does it cost to operate an ice-breaker for the winter season?

Mr. WATSON: I do not believe it would cost an awful lot. I would estimate the cost to be approximately \$40,000 or \$50,000 for laying-up and fitting it out. This cost would not be incurred if the vessel were kept in operation all year round.

Mr. HEES: You would estimate the cost at \$50,000?

Mr. WATSON: About \$50,000, yes.

The CHAIRMAN: It would cost \$50,000.

Mr. WATSON: That is if you did not have to lay the ship up and fit it out, but operated it all year.

Mr. HEES: The deputy minister feels that the practical cost to consider would be the year round cost.

Mr. BALDWIN: That cost would run around one-quarter of a million dollars.

Mr. CAMPBELL (*Stormont*): Further to the matter brought up by the member for Yukon, and because the Americans tend to regard their interests like a threatened virginity, would it not be a matter for consideration to extend these subsidies more particularly to the shipping of bulk products in that area, namely the B.C. coast-line? Would that not be a more practical and feasible way of providing transportation for bulk products?

Mr. HEES: I am informed that those operations are working very successfully at the present time without subsidization.

Mr. NIELSEN: Following that up, Mr. Chairman, I want to make it clear that this legislation which is now in effect in the United States permits the transportation of merchandise within continental United States through routes recognized by the inter-state commercial commission. That is, where such routes are, in part, over Canadian rail lines, and their own, or other countries' water facilities, it is permissible under their legislation.

I have explained why I considered Alaska to be part of the economical development of our own Canadian Pacific northwest. Alaska is specifically excluded from that regulation, so that this results in American shippers being denied the port of Prince Rupert and Canadian vessels so that the legislation has in effect denied to Alaska the use of Canadian steamship lines in order to take advantage of more favourable transportation costs afforded by existing rail communications between Prince Rupert and the interior points and the United States.

It must be remembered that Prince Rupert is at Alaska's front door. Prince Rupert is the last Canadian port that can be utilized for northern coastal shipping.

Having regard to my suggestion you must also bear in mind, if you will allow me to say so, the anomaly in the United States legislation itself.

Item agreed to.

Item 421. Marine Services—Construction or Acquisition of Vessels and Equipment	\$22,230,000
--	--------------

Mr. HOWARD: I have found the page, Mr. Chairman, plus a number of other things probably.

The first question I want to ask has reference to the light ship that is now proposed, and I imagine lighthouses, for example. Is this ship now under construction?

Mr. BALDWIN: Yes, sir.

Mr. HOWARD: Where is it being built?

Mr. BALDWIN: On the west coast by Yarrows Limited of Victoria.

Mr. HOWARD: That answers the main part of my question. When do you expect that it will be completed?

Mr. WATSON: We hope it will be completed next June in time to go into operation.

Mr. HOWARD: Very good.

Having regard to aids to navigation—

Mr. SMITH (*Simcoe North*): That is the next item.

Mr. HOWARD: No. I thought it was the next item but it is not.

The CHAIRMAN: That is a subheading for item No. 422.

Mr. HOWARD: This item is listed under the same vote number.

Mr. BALDWIN: This is a subheading for item 422. Item 422 appears on the wrong line.

Mr. HOWARD: I beg your pardon.

Mr. BALDWIN: Item 422 should be one line higher.

Item agreed to.

Item 634. Railways and Steamship Services—Construction or Acquisition of Auto-Ferry Vessels and Equipment—Further amount required \$115,000

Mr. HOWARD: I wonder if the minister would explain what this item covers?

Mr. BALDWIN: This is an item covering an auto-ferry vessel for service between Wood islands, Prince Edward Island and Caribou, Nova Scotia at an estimated cost of \$3,661,000.

Item agreed to.

Item 422. Aids to Navigation—Administration, Operation and Maintenance, including a contribution to the International Association of Lighthouse Authorities in the amount of 2,000 Swiss francs, notwithstanding that payment may exceed or fall short of the estimated equivalent in Canadian dollars that is detailed in the Estimates \$5,868,450

Mr. HOWARD: The minister probably realizes that there has been a number of suggestions made by the Prince Rupert Fishermen's Cooperative arising out of their annual meeting last winter in regard to aids to navigation along the coast of B.C. Could I ask what has been happening in that regard?

Mr. HEES: The deputy minister advises me that if you are going to get into the details of lights and so on that he will have to give the answers at the next meeting.

Mr. BALDWIN: If you require the details in respect to individual buoys or lights I will have to get that information for you.

Mr. HOWARD: Reference has been made to a fog-horn and additional lights, or improved lights at Cape Scott, which I understand is considered as a rather costly project. In conjunction with that item there was, a few years ago, a fairly extensive undertaking in respect of a lighthouse somewhere north of Cape Scott either on the mainland or on an island which was supposed to provide shipping aids, or navigation aids to boats which would be primarily going from Jamaica to Kitimat. I would like to know what the cost was of providing that particular lighthouse and also whether it is used to any extent. It is my understanding that it was placed in the wrong place.

Mr. BALDWIN: Do you remember the name of that lighthouse offhand?

Mr. HOWARD: I am afraid I do not.

The CHAIRMAN: Could you find out the name of that lighthouse and let the deputy minister know?

Mr. BALDWIN: Would it be of any help, sir, if I gave you a list of the improvement items we have estimated for the Prince Rupert district?

Mr. HOWARD: Would that cover the Prince Rupert electorate district?

Mr. BALDWIN: It covers the Prince Rupert marine agency which covers that area of the coast.

Mr. HOWARD: Would it cover the west coast to Vancouver island?

Mr. BALDWIN: No, that would be under the Victoria agency. I have both of those here.

Mr. HOWARD: Yes. Could you give us the suggested changes for both of those areas?

Mr. BALDWIN: Yes.

We are reconstructing the fog alarm building at Lucy island which, you know, is off Prince Rupert itself, at an estimated cost of \$25,000. We are

reconstructing the facilities at Lawyer island in the Skeena area. That involves a fog alarm building. We are reconstructing the facilities on Barrett rock. We are putting in small facilities on Pointer island, Ivory island, Langara island and Cape St. Jones. Those are some of the intended improvements of facilities for the west coast this year.

I will have to acquire the detailed information in request of Cape Scott and the lighthouse north of that.

Mr. HOWARD: Yes. I will try and find out the name of this point. It was built a few years ago but I do not recall the name offhand.

Mr. HEES: If you find that name would you telephone Mr. Baldwin?

Mr. HOWARD: Yes.

Mr. SMITH (*Simcoe North*): In respect of aids to navigation, is there a level at which the Department of Transport stops providing buoys and varies other signals in relation to commercial traffic and in relation to pleasure craft?

I understand the Georgian bay development association hired the author, Kenneth McNeil Wells, who is also a boatman, to survey the Georgian bay area generally. As a result of that survey he reported that in the matter of aids to navigation and markers for pleasure boats, they were very deficient. Now, is that within the scope of the Department of Transport or does the Department of Transport confine its aids to navigation activities to commercial navigation?

Mr. BALDWIN: I cannot give you a categorical answer because the extent of our activities there is usually a matter of the funds that are made available to us through the treasury board.

Primarily our responsibility has been related to the provision of appropriate aids for commercial ships. Since our jurisdiction and responsibility covers all marine work we do feel that as pleasure boating grows we will have some responsibility in that direction as well. This is, as you know, a new field that has only emerged in the last few years. As it has emerged we have tried to provide a limited amount of assistance; channel markings, charts and so on. However, as pleasure boating is becoming a major operation, it is obviously important to the economy of the country.

Our contribution to this field has been secondary, although we have tried to help in that regard.

However, with particular reference to the area you mentioned, and indeed elsewhere, we have found that the real bottleneck, if you like, in regard to channel markings and things like that, is the actual charting to begin with. We feel there is not much point in our putting in more channel markers until you have charts with hydrographic data as a starting point.

The work we are prepared to do must, we think, follow the provision first of hydrographic data and charts. Once that information is available we will improve channel markings, but there is no point in doing it until these charts are available.

Mr. SMITH (*Simcoe North*): Who is responsible for that?

Mr. BALDWIN: The Department of Mines and Technical Surveys which has very much the same problems as ours.

Mr. CREAGHAN: On page 549 I notice that you show different classifications, but the one that seems to take the big jump is the assistant light-keeper. It has gone up by 60 new employees at an additional expense of \$170,000. Is that merely a different classification or have you actually hired an extra 60 people?

Mr. HEES: No. These people have been transferred from casual to classified employees. It is in order to improve their conditions of employment. The former method proved not to be too satisfactory and this will give the

assistant lightkeepers a more definite status and a better position. It is a part of a plan in which we are endeavouring to do some of this change-over every year.

Mr. WRATTEN: Do they have so many hours on duty and so many hours off?

Mr. BALDWIN: Normally they do not work on a shift basis. There is a light-keeper and an assistant and they divide the work between them.

Mr. CAMPBELL (*Stormont*): In connection with the reservoir for the new power project above Cornwall, would it be necessary to do a new hydrographic survey of that lake which is being created there and if so will the department be assuming responsibility for buoying that lake for pleasure craft, or will the present topographical maps provide sufficient information so that the hydrographic maps will not be required?

Mr. HEES: That is a responsibility of the Department of Mines and Technical Surveys.

Mr. CAMPBELL (*Stormont*): Is the department going to complete any buoying operations in the next year, shall we say, in this newly created lake?

Mr. BALDWIN: Not that I am aware of. If and when hydrographic charts are available and there is a demand for pleasure boating, then we will consider it.

Mr. CAMPBELL (*Stormont*): As far as you know there are no immediate plans?

Mr. BALDWIN: Not that I am aware of.

Mr. HOWARD: As a point of information, if I were to leave now would we have a quorum?

The CHAIRMAN: We want you to stay.

Mr. HOWARD: I am going to stay; there is no question about that.

I knew if I waited long enough I would think up something to which I could make reference in respect of canals and the west coast. This has connection with the public works project of blasting Ripple rock which, to an extent, is an aid to navigation by getting out of the way. In addition to, or in conjunction with, the removal of Ripple rock, have any suggestions been made to the Department of Transport for dredging or making a canal, in effect, through a slough area that has been sealed in just alongside of the Seymour narrows off to the eastern part of it.

Mr. HEES: Such a suggestion has not come to us. It may have come to the Department of Public Works. If there were any suggestion like that it would go to the Department of Public Works; they did the Ripple rock operation.

Mr. HOWARD: Can I bring it up under the canal item?

The CHAIRMAN: I doubt it.

Mr. HOWARD: I have a further question which has something to do with the previous question I asked to which Mr. Baldwin gave me some details about projected work out there. These questions are based on a copy of a letter which the minister was kind enough to send to me, dated January 20 to the Prince Rupert Fisherman's Cooperative. Part of the reason, I may say, for the request for the improved light and fog-horn at Cape Scott was that the removal of Ripple rock had a bearing on it. What effect did that have on more shipping going up the inside passage? That may have a bearing on whether or not it would be absolutely necessary to proceed with the Cape Scott project. Another detailed matter was a request for an improved light at Anthracite point. The

comment of the minister was that the keeper there had been ill for some time and that that resulted in the light not being maintained efficiently and that a new keeper had been appointed and they expected an improvement in it.

Mr. BALDWIN: I will obtain the information on these questions at the next meeting.

Mr. HOWARD: Another suggestion of the cooperative had to do with the Tugwell reef buoy. The suggestion was that that be replaced by a new gas and whistle buoy. I would also like some information on that. I did not catch all of the references made by Mr. Baldwin earlier because I was expecting to check them in the Hansard proceedings of the committee; but he may have mentioned this one. They made a suggestion for a fog-horn at Esperanza point and, while they were not too clear, they suggested various aids in a channel used by fishermen between Banfield and Ucluelet.

The CHAIRMAN: Mr. Baldwin will try to have those answers for you at the next meeting.

Mr. BALDWIN (*Peace River*): I heard the minister refer to the Northern Transportation Company. Is that the company which operates along the Mackenzie river?

Mr. BALDWIN: Yes.

Mr. BALDWIN (*Peace River*): Would the words "aids to navigation" be wide enough to include the question of the difficulties along the Athabaska river?

Mr. BALDWIN: We have a major program of improvement there and on the Mackenzie river. Our problem has been both a lack of staff and equipment. It was only a little over a year ago that we were authorized to establish a marine sub-agency at Fort Smith. We have now under construction two new small vessels to operate on the Mackenzie river for that purpose.

Mr. BALDWIN (*Peace River*): Would that include navigation right down to McMurray?

Mr. BALDWIN: Yes.

Mr. BALDWIN (*Peace River*): I ask these questions, Mr. Chairman, because I thought that Mr. Bigg might be interested in this.

Items 420, 423, 630 and 631 agreed to.

The CHAIRMAN: We will adjourn to meet on July 1 in Room 118 at 10.00 o'clock.